

Baird: Energy Bill Fails to Meet America's Current and Future Needs (November 18, 2003)

Washington, D.C. - U.S. Rep. Brian Baird released the following statement on H.R. 6, the Energy Policy Act of 2003, which was ushered through the House of Representatives this afternoon:

Today, Congress passed a comprehensive energy bill containing 816 dense pages, authorizing \$23.5 billion in new spending, and dictating our nation's energy policy until at least 2014. Unfortunately, the leadership of the House refused to release the text of the bill until this morning, a few hours before the scheduled vote. House rules rightly require legislation to be available three days before it may be voted upon. However, the House leadership waived this rule, providing members of the Congress, Democrats and Republicans, less than eight hours to analyze legislation which seeks to dramatically transform our nation's energy policy.

Why would the House leadership refuse to release the text of the bill, even to members of its own party? Because for three months, this bill was crafted in inside-the-beltway backrooms, in the worst tradition of American politics. A handful of powerful Republican members, and a gaggle of well-paid lobbyists, secretly and anonymously wrote a bill transforming our nation's energy policy. The provisions of the bill enriched a number of lobbyists, but failed to address the energy needs of our nation. While Enron and Halliburton were well-represented in negotiations, the American people were not. Senator John McCain described the bill as, "The Leave No Lobbyist Behind Act."

The bill passed today fails to permanently reduce our dependence on foreign oil, provides massive subsidies to polluters, reduces barriers to oil and gas drilling off Washington's coast, and encourages development of deregulated electricity markets. Though the bill provides \$12 billion to expand domestic oil and gas production, it provides far less investment in renewable technologies, such as wind, solar and biomass. In fact, the bill extends tax credits typically reserved for renewable technologies to nuclear power. Utilities will now receive tax breaks once reserved for renewable resources to develop new nuclear facilities.

One of the most egregious provisions contained in the energy bill is a liability exemption for Methyl Tertiary Butyl Ether (MTBE) polluters. MTBE is a gasoline additive which has contaminated groundwater in 36 states, including Washington. Until today, producers of MTBE were responsible for paying to mitigate the impact of their negligence. However, major MTBE manufacturers reside in the districts of House Majority Leader Tom Delay and House Energy Chairman Billy Tauzin. Coincidentally, the energy bill excuses MTBE producers from responsibility for removing MTBE from our water. Taxpayers will now absorb this cost. Additionally, the energy bill provides the MTBE industry \$2 billion in direct subsidies.

Furthermore, the bill repeals one of the most significant consumer protections in our nation's history, the Public Utilities Holding Company Act (PUHCA). This law prevents utilities from manipulating electricity markets, inflating prices and fleecing consumers. Enron was able to game California's electricity market in 2001 precisely because Congress enacted a partial repeal of PUHCA in 1992. We know too well the tragic impact of California's experiment in deregulation on the Northwest. Two years have passed, but we continue to struggle to recover from this disaster. And yet, today, Congress permanently repealed PUHCA, in an effort to encourage further deregulation.

The final version of the bill eliminated a bipartisan provision I and many of my colleagues supported which prevented U.S. companies from incorporating abroad to avoid U.S. taxes. Unfortunately, the final version of the bill eliminated this provision, and expanded the bill's cost to \$23.5 billion. The deficit for fiscal year 2003 totaled \$535 billion. Congress has a responsibility to tell the American people how we intend to pay for these new corporate subsidies.

In closing, our nation deserves an energy policy dedicated to innovative technologies designed to lower energy costs, reduce our dependence of foreign oil, and protect our environmental resources. Unfortunately, the energy bill which passed the Congress today, as far as I could determine in the eight hours it was available for review, utterly failed to address our nation's energy needs as we begin the 21st century.

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